

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 86

April 21, 1998, 10:32 am
Page S-3322 Temp. Record

EDUCATION SAVINGS ACCOUNTS/Strike ESAs, Add Teacher Loan Program

SUBJECT: Education Savings Act for Public and Private Schools . . . H.R. 2646. Coverdell motion to table the Kennedy amendment No. 2289.

ACTION: MOTION TO TABLE AGREED TO, 56-41

SYNOPSIS: As amended, H.R. 2646, the Parent and Student Savings Account PLUS Act, will enact the compromise provisions of S. 1133, as reported, on education savings accounts and other education initiatives. It will expand the recently enacted education savings account tax credit, will provide an exclusion from gross income for distributions from qualified State tuition programs, will extend and expand the current-law section 127 tax exclusion (for employer-provided education assistance), and will assist local governments in issuing bonds for school construction by increasing the small-issuer bond exemption. The bill will also enact a proposal to give school construction aid to high growth districts. In total, approximately \$6 billion in tax relief for education over the next 10 years will be provided. That cost will be more than fully offset by modifying the employer deduction for vacation pay and by changing the treatment of the foreign tax credit carryback and carryforward periods (for increased revenues of \$6.9 billion over 10 years). The education tax credit will be expanded by increasing the annual contribution limit for education IRAs from \$500 to \$2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth grade (K-12) expenses (the credit currently applies only to higher education expenses).

The Kennedy amendment would strike the provisions on expanding the education tax credits. It would also add a new loan forgiveness program for teachers. It would authorize \$3.6 million for each of fiscal years 1999 and 2000 for that program. Under that program, the Federal Government would forgive up to \$8,000 in Federal student loans over 5 years for loans made after July 1, 1998, for any borrower who worked full-time as an elementary or secondary school teacher: in a school eligible for Part A educational assistance (96 percent of public schools in America are eligible for such assistance); or who taught a subject area for which the local public school authority said it had a shortage of qualified teachers. The amendment's stated purpose would be to add 100,000 new people to the program each year for the next 10 years.

(See other side)

| YEAS (56) | | | NAYS (41) | | | NOT VOTING (3) | |
|----------------------------|-------------------------|------------|--------------------------|--------------------------|---------------|-----------------------|--------------------------|
| Republicans (50 or 93%) | Democrats (6 or 14%) | | Republicans (4 or 7%) | Democrats (37 or 86%) | | Republicans (1) | Democrats (2) |
| Abraham | Hutchinson | Biden | Chafee | Akaka | Kennedy | Bennett- ² | Inouye- ² |
| Allard | Hutchison | Breaux | D'Amato | Baucus | Kerrey | | Moynihan- ^{2AN} |
| Ashcroft | Inhofe | Byrd | Jeffords | Bingaman | Kerry | | |
| Bond | Kempthorne | Graham | Specter | Boxer | Kohl | | |
| Brownback | Kyl | Lieberman | | Bryan | Landrieu | | |
| Burns | Lott | Torricelli | | Bumpers | Lautenberg | | |
| Campbell | Lugar | | | Cleland | Leahy | | |
| Coats | Mack | | | Conrad | Levin | | |
| Cochran | McCain | | | Daschle | Mikulski | | |
| Collins | McConnell | | | Dodd | Moseley-Braun | | |
| Coverdell | Murkowski | | | Dorgan | Murray | | |
| Craig | Nickles | | | Durbin | Reed | | |
| DeWine | Roberts | | | Feingold | Reid | | |
| Domenici | Roth | | | Feinstein | Robb | | |
| Enzi | Santorum | | | Ford | Rockefeller | | |
| Faircloth | Sessions | | | Glenn | Sarbanes | | |
| Frist | Shelby | | | Harkin | Wellstone | | |
| Gorton | Smith, Bob | | | Hollings | Wyden | | |
| Gramm | Smith, Gordon | | | Johnson | | | |
| Grams | Snowe | | | | | | |
| Grassley | Stevens | | | | | | |
| Gregg | Thomas | | | | | | |
| Hagel | Thompson | | | | | | |
| Hatch | Thurmond | | | | | | |
| Helms | Warner | | | | | | |

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

Debate was limited by unanimous consent. After debate, Senator Coverdell moved to table the amendment. A motion to table is not debatable, but, by further unanimous consent, additional debate was then permitted. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The Kennedy amendment is a hastily drafted, poorly thought out proposal, as even some of its supporters have admitted in debate. It is notable not so much for what it proposes, but for what it strikes. Senators who vote for the Kennedy amendment will not so much be voting for its proposals on loan forgiveness, but against the bill provisions to give 15 million American families and 20 million children the benefits of education savings accounts. On the particular issue of loan forgiveness for teachers, it is not an "either-or" choice. The Labor Committee has just unanimously reported out a bill to authorize such a program. The Labor Committee's bill will target assistance. First, unlike the Kennedy amendment, which would make any teacher eligible, it will target assistance to teachers who are eligible for the interest subsidy, and are thus the most in need of help in repaying their loans. Second, it will require the teacher to work in a public or private school that has a student population 30 percent or more of which is eligible for Title I assistance. That requirement will make sure that program participants are teaching in the neediest schools; the Kennedy amendment, in contrast, would require only that the school have some eligibility for Title I assistance, which would qualify 96 percent of all schools in the country. Then, the Kennedy amendment would try to qualify the remaining 4 percent, by saying that a teacher could still participate in the program if the local educational agency said that the teacher had expertise in a needed subject area. Third, the Labor Committee bill will require a secondary teacher to have an academic major in the subject area in which he or she teaches, and a primary school teacher to have demonstrated knowledge and teaching skills in reading, writing, and mathematics. The Kennedy amendment would not impose any requirements on participating teachers. Fourth, the Labor Committee bill will require a teacher to teach for at least 3 years in order to participate; the Kennedy amendment would not impose any time requirement. The Labor Committee bill was drafted based upon the overwhelming evidence from statistics and studies that the real problem in schools is not a shortage of teachers, but a shortage of qualified teachers, especially in poorer communities. Therefore, the Labor Committee bill will concentrate resources on helping needy, qualified teachers who teach in poorer communities. The Kennedy amendment, though, would just throw money around the country to every school, whether it needed help or not, to hire teachers, whether qualified or not. Even in the amount given per teacher the Kennedy amendment would be less valuable; the Kennedy amendment would give \$8,000 in maximum debt relief; the Labor bill will give \$10,000. No one should take seriously the Kennedy amendment's proposal to hire more teachers.

The other part of the Kennedy amendment would strike the education savings account provisions. Our colleagues have spent more time debating that part than they have spent debating their weak teacher loan forgiveness proposal. As usual, our liberal colleagues, so many of whom are fabulously wealthy, have argued that the expanded education savings account provisions in this bill are a sop to the "rich," even though eligibility is phased out, and no individual with an income of more than \$110,000 per year, and no couple with an income of more than \$160,000 per year, may participate at all. We further remind our liberal colleagues that those limits are the current limits, which they and President Clinton roundly praised as middle-class educational tax relief when they were enacted just last year. This bill will not change the limits; it will just allow savings accounts to be used for kindergarten through twelfth (K-12) education as well as for college. Why do our liberal colleagues call middle-class Americans "rich" when they save for their kids' K-12 educations, but call exactly the same people hardworking, middle-class Americans when they save for their kids' college educations? There are two answers: teacher unions and lawyers. Public school teachers are heavily unionized; private schools are not. Public schools, in many areas, are dangerous and failing despite heavy spending; private schools are safe places and are successful in teaching children, and they spend much less. Public school teachers, especially in areas where schools are failing, send their own children to private schools. For many parents, it is not an economic option to send their children to private schools. Teachers unions want to keep it that way, because they fear that if given the choice, parents would take their kids out of dangerous and failing public schools and put them in private schools. Some public schools might then close, and teachers unions would lose membership. The education savings account provisions in this bill will undoubtedly help many parents save their own money and thus make private education affordable for their children. Approximately 30 percent of the children who benefit from these provisions will go to private schools. The other 70 percent will go to public schools, and will receive such benefits as tutoring. Kids in public schools will receive better educations, and kids who go to private schools will receive better educations. For the teachers unions, though, it is more important to have a larger number of children in union-dominated public schools than to have a smaller number receiving a better education, with the students who have left receiving better private educations as well. The other, albeit smaller concern, of some Senators is that this bill will not prohibit parents from using the money they save to send their children to religious schools. These Senators are echoing the extremist views of their American Civil Liberties Union (ACLU) supporters, who basically say that if the Federal Government gives a tax reduction then the people receiving that reduction cannot spend their money on a religious purpose without violating the establishment clause on religion. Americans receive tax breaks for homeownership--would they be violating the Constitution if they then bought a Bible with any of the money they were allowed to

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keep by the tax break? By the American Civil Liberty Union's, and some of our liberal colleagues' bizarre logic, the answer is yes. When one considers that unions and lawyers are the Democratic Party's main source of campaign spending, both official and unofficial, and when one looks at unions' and lawyers' opposition to this bill, it is not surprising that many Democrats are opposing it. Frankly, we believe the many Democrats who are supporting this bill need to be commended for their courage. They are under a great deal of pressure politically, yet they understand the great benefits educational savings accounts will give American families and they are supporting the bill on principle. The vote on the Kennedy amendment will be the first of many to deny American children and families the educational benefits they deserve. We urge our colleagues to table this amendment, and to join us in defeating the amendments to follow.

Those opposing the motion to table contended:

Education savings accounts will just help wealthy Americans. Half of the benefits, in fact, will go to those people who send their children to private schools. Poor Americans cannot afford to pay for private schools; they will not get any help. Giving poor people the right to set up educational IRAs to save money is a pretty empty right, because they do not have any money to save. Rather than embarking on this expensive, pointless path of giving benefits to rich Americans who do not need any help in educating their children, the Kennedy amendment would start a new Federal program to encourage people to enter the teaching profession. The Kennedy amendment would forgive up to \$8,000 in debt for teachers who take jobs in schools that have any title I-eligible children. It would further focus the money on areas of need, by making teachers eligible if they were qualified to teach in key subject areas in which a local school district had a shortage of qualified teachers. Over the next 10 years this country is going to need an additional 2 million qualified teachers. The Kennedy amendment would start a program that would encourage up to 100,000 people to become teachers each year. This proposal, unlike the education savings accounts provisions in the bill, would provide significant help to needy students. We urge our colleagues to accept it as an alternative to helping children who are well off.